

Background on the “Promoting Adoption and Permanency for Children in Foster Care Act”

August 2013

Overview

The Adoption Incentives program was created by the *Adoption and Safe Families Act of 1997* (P.L. 105-89) to provide financial incentives to States to increase adoptions from foster care. All 50 states, DC, and Puerto Rico have earned part of \$375 million awarded since the program began. The program is authorized through FY 2013 at \$43 million per year, and appropriators have provided \$39 million for the program each year since FY 2010.

The *Promoting Adoption and Permanency for Children in Foster Care Act* would reauthorize the program through FY 2016, revise awards to focus on increasing adoption *rates* instead of the raw number of adoptions (ensuring States receive awards even as foster care caseloads continue to decline), and create a new award category for increases in the rate of children leaving foster care for legal guardianship. The draft legislation also would expect States to improve their reporting of savings they incur due to a 2008 change that increased Federal support for adoption assistance payments.

Outline of Adoption Incentive Awards and Award Criteria under the Draft Legislation

Category	Award Criteria	Award Amount*
<i>Adoption Rate</i>	Increasing the percentage of foster children adopted in a year	\$2,000 for each additional child adopted beyond the number that would have been adopted if the State rate had not increased
<i>Older Child Adoption Rate</i>	Increasing the percentage of foster children age 9+ adopted in a year	\$4,000 for each additional older child adopted beyond the number that would have been adopted if the State rate had not increased
<i>Guardianship Rate</i>	Increasing the percentage of foster children placed with a legal guardian in a year	\$1,000 for each additional foster child placed with a legal guardian beyond the number that would have been placed with a legal guardian if the State rate had not increased

**Awards would be per placement in each category above the State’s base rate (defined as either the State’s rate in the immediately prior year or in FY 2007, whichever is lower).*

Adoption Assistance “De-link” Savings and Reinvestment Provision

The *Fostering Connections to Success and Increasing Adoptions Act of 2008* (P.L. 110-351) increased the overall amount of Federal spending on adoption assistance payments to adoptive families by phasing out the income eligibility requirements for those payments over time (i.e. “de-linking” eligibility from income). As Federal spending on these payments rises, State spending will decline, so Congress required States to reinvest any State savings from this change in child welfare programs. However, little information is currently available on how much States are saving as a result of this change, and it is unclear how States are reinvesting this money into child welfare programs.

For this reason, the *Promoting Adoption and Permanency for Children in Foster Care Act* would require States to:

1. Report State savings resulting from the “de-link;”
2. Report how these savings are being reinvested in child welfare programs; and
3. Spend at least 20 percent of these savings on post-adoption services for children adopted from foster care.